

The Women-Owned Small Business Program *An Overview*

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Overview of the Women-Owned Small Business Federal Contract Program

The ***Women-Owned Small Business (WOSB) Federal Contract Program*** promotes competitiveness for certain federal contracts for eligible:

- Women-Owned Small Businesses (WOSBs)
- Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs)

Impacts of the WOSB program:

- Makes it easier for women-owned companies to compete for and win federal contracts
- Provides agencies a tool to achieve WOSB contracting goal (5% of its prime contracting dollars must be awarded to WOSBs)
- Helps WOSBs grow



History of the WOSB Federal Contract Program

Time	Event
December 2001	Public Law 106-554 establishes a women's procurement program to assist the government in meeting its 5% women-owned small business (WOSB) contracting goal.
April 2011	New Federal Acquisitions Regulation (FAR) implements WOSB Program. Eligible industries limited to 83 based on the RAND report - 45 NAICS codes for WOSBs and 38 for EDWOSBs.
December 2014	NDAA 2015 provides Sole Source Authority to the program, removed Self-Certification. Certification process currently under review.
December 2015	Sole Source process implemented by new FAR.
March 2016	Eligible Industries revised and expanded to 113 based on the new Department of Commerce Study. 36 new industries added to Program, 6 industries removed from Program, and 27 industries had designation



Overview of the WOSB Federal Contract Program

- The WOSB Federal Contract Program allows Contracting Officers (COs) to ***set aside contracts*** for WOSBs or EDWOSBs under certain conditions
- As of December 2015, it also allows COs to grant contracts to WOSBs and EDWOSBs under ***Sole-Source Authority*** in specific circumstances

PLEASE NOTE:

- Businesses that have certified as WOSBs or EDWOSBs are still eligible to win contracts outside of the set-aside program
- However, *only WOSBs and EDWOSBs* may win contracts through the program



Requirements for WOSB and EDWOSB

Set-Aside Contract Competitions

Contracting officers may have WOSB- or EDWOSB-only contract competitions if the contract meets the following requirements:

	WOSB	EDWOSB
Industries	• NAICS code assigned to contract solicitation is in an industry in which WOSBs are substantially underrepresented (92 Industry Codes)	• NAICS code assigned to contract solicitation is in an industry in which WOSBs are underrepresented (21 Additional Industry Codes)
Rule of two	• Contracting officer has reasonable expectation that 2 or more WOSBs will submit an offer <i>* Note: All EDWOSBs are WOSBs but not all WOSBs are EDWOSB</i>	
Award price	• Contract must be awarded at fair market price	

A complete list of applicable NAICS codes can be found at:

www.sba.gov/wosb

Requirements for WOSB and EDWOSB *Sole-Source Authority Contracts*

In order for COs to grant a contract to a WOSB or EDWOSB through Sole-Source Authority, the contract

must meet the following conditions:

- Is the contract in a WOSB/EDWOSB eligible NAICS code?
- Is the contract (including options) valued at \$6.5 million or less for manufacturing contracts or \$4 million or less for all other contracts?
- Can the contract be awarded to the WOSB/EDWOSB at a fair and reasonable price?
- In the determination of the contracting officer, is there a reasonable expectation that there is only one WOSB/EDWOSB that can perform?



Eligibility Requirements for WOSBs

To qualify as a WOSB, a business must meet the following requirements:

- ☐ Meet **small business size standard** for primary NAICS code and contract
- ☐ At least **51% unconditionally and directly owned by women** who are **U.S. citizens***
- ☐ The woman must manage the **day-to-day operations**
- ☐ The woman must make the **long-term decisions** for the business
- ☐ A woman must the **hold highest officer position** in the company
- ☐ This woman must work at business **full-time during normal working hours.**
- ☐ **No minimum amount of time** for the business to be operational

*Community property laws are not considered when looking at ownership.



Eligibility Requirements for EDWOSBs

To qualify as an EDWOSB, a business must meet all the requirements

for a WOSB, as well as the following requirements:

- ☐ **Personal net worth** (assets minus liabilities) **is less than \$750,000** excluding:
 - Ownership in business and primary personal residence
 - Income reinvested or used to pay taxes of business
 - Funds reinvested in IRA or other retirement account*
 - Transferred assets within two years if to or on behalf of immediate family member for select purposes**
- ☐ Adjusted gross income **average** over three years is \$350,000 or less excluding:
 - Income reinvested or used to pay taxes of business

* Must be IRA or other official retirement account that is unavailable until retirement age without significant penalty

** Select purposes are for the individual's education, medical expenses, support or to family member

☐ **Fair market value of all assets is \$6 million or less.**

Note: SBA will look at a spouse's finances if the spouse has a role in the WOSB/EDWOSB, has lent money to or provided financial support (including credit or guarantee of loan) to the business. SBA may also look at spouse's finances if both spouses are in same or similar line of business and businesses share names, websites, equipment and employees.



Eligibility Requirements for Joint Ventures

A WOSB/EDWOSB may submit an offer as a **joint venture** with another small business if the following requirements are met

- ☐ Size: Combined annual receipts or employees of joint venture must meet NAICS code assigned to contract*
- ☐ EDWOSB/WOSB must manage the joint venture
- ☐ EDWOSB/WOSB employee must be project manager responsible for performance of the contract
- ☐ EDWOSB/WOSB must receive at least 51% of net profits
- ☐ Joint venture agreement must be in writing
- ☐ Joint venture must meet subcontracting limitations

*Unless exceptions in 13 C.F.R. §121.103(h)(3) apply.

Note: Joint venture agreement does not have to be approved by SBA

Reviews and Protests

SBA is committed to ensuring only eligible WOSBs benefit from the WOSB Federal Contract Program. The following tools ensure compliance with Program requirements:

Eligibility Examinations

- SBA may investigate the accuracy of any certification or representation made
- SBA will conduct regular reviews of firms who have self-certified and obtained third party certification
- A review will involve evaluation of documents uploaded in the repository and SBA may request

Any WOSB/EDWOSB found to be ineligible *must remove* designation in SAM; CO *shall not award* the contract

Protests

- SBA may investigate the accuracy of any certification or representation made as it relates to a specific WOSB/EDWOSB contract
- Only an interested party, SBA or a contracting officer may submit a protest
- A protest must be submitted to the contracting officer within certain timeframes
 - Can only protest the ownership, control and economic disadvantage requirements
 - Size protests are handled under 13 C.F.R. part 121

- SBA reviews each protest and makes



How to demonstrate eligibility: Self- or Third-Party Certification

There are currently **two ways** to demonstrate eligibility for the WOSB program:



Self Certification with supporting documents

- *Free*
- Register in SAM
- Compile and upload all required documents to the WOSB Repository
- Represent status in SAM as WOSB or EDWOSB

Third Party Certification with supporting documents

- *Fee associated with Third Party Certifiers*
- Register in SAM
- Obtain certification from an SBA-approved Third Party Certifier
 - US Women's Chamber of Commerce
 - **Women's Business Enterprise Council (WBEC)***
 - National Women's Business Owners Council (NWBOC)
 - El Paso Hispanic Chamber of Commerce
- Compile and upload all required documents to the WOSB repository (reduced requirements)
- Represent status in SAM as WOSB or EDWOSB

*Does not perform economic disadvantage determinations

Resources and Q&A

There are a number of resources available to help answer questions about the WOSB Program:

Visit the SBA's website: www.sba.gov/wosb

- ▶ You will find the latest information about the program on this site
- ▶ For questions on the WOSB program, you may also email wosb@sba.gov
- ▶ For questions on the new system, please email certify@sba.gov

Visit a local resource:

- ▶ *Procurement Center Representative (PCR) Directory*
 - Find your local PCR at: <https://www.sba.gov/contracting/resources-small-businesses/pcr-directory>
- ▶ *Small Business Administration District Offices*
 - Find your local office at: <http://www.sba.gov/about-offices-list/2>
- ▶ *Women's Business Centers*
 - Find your local center at: <http://www.sba.gov/content/womens-business-centers>
- ▶ *Small Business Development Centers*
 - Find your local center at: <http://www.asbdc-us.org/>
- ▶ *Procurement Technical Assistance Centers*
 - Find your local center at: <http://www.aptac-us.org/new/>

Call the SBA Answer Desk: 1-800-ASK-SBA (1-800-827-5722)

Questions?